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Oct. 1, 2001

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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OCT 09 2001

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EFFECTIVE:

October 1, 2001
November 1, 2001
12:01 a.m.

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$18.48 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$2.54 /LB

EFFECTIVE NOVEMBER 1, 2001:

The minimum price to pay milk producers, under ARM 32.24.301, is \$18.48 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 25.4 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$2.54.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$13.93 /CWT

Average spray process dry milk solids

price per pound = \$1.00625
Multiplied by 8.2 x 8.2

\$8.25130

\$8.25130

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.66050
Multiplied by 4.2 x 4.2

\$6.97410

+ \$6.97410

\$15.22540

LESS a make allowance of 8.5% (\$15.2254 X .085)

- \$1.29416

\$13.93124

Rounded to the nearest whole cent = \$13.93 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$1.84 /LB**

Last quote of the month for Grade AA butter
 minus a differential of \$.0895 = \$1.66050 X .111) = \$0.18432
 Rounded to the nearest half cent = \$0.184

Butterfat value per pound
 for milk at 3.5% test: \$1.84

Hundredweight price of milk testing 3.5% = \$13.93
 LESS 3.5 pounds of butterfat at \$1.84 per pound - \$6.440
 Value of 96.5 pounds of skim = \$7.490

CLASS II VALUE OF
 ONE POUND OF SKIM 7.490 / 96.5 pounds) = \$0.07762 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$11.82 /CWT**

3.5 pounds of butterfat \$1.49 per pound = \$5.215
 96.5 pounds of skim \$0.06849 per pound = \$6.609
 \$11.824 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.49 /LB**

Last quote of the month for Grade AA butter
 minus a difference of \$.0895 = \$1.66050
 LESS 10% - \$0.16605
 \$1.49445

Rounded to the nearest whole cent \$1.49 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.84854 /CWT**

Avg. spray process dry milk solid price/lb \$1.00625
 Multiplied by 8.2 8.2
 \$8.25125
 LESS 17% \$1.40271
 \$6.84854

Rounded to the nearest whole cent \$6.85 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick

Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$18.48 FOR 3.5% MILK 96.5 LBS = \$9.590		CLASS II SKIM PRICE BASED ON \$13.93 FOR 3.5% MILK 96.5 LBS = \$7.490		CLASS III SKIM PRICE BASED ON \$11.82 FOR 3.5% MILK 96.5 LBS = \$6.609	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.09836	2.50	\$0.07682	2.50	\$0.06778
2.55	\$0.09841	2.55	\$0.07686	2.55	\$0.06782
2.60	\$0.09846	2.60	\$0.07690	2.60	\$0.06785
2.65	\$0.09851	2.65	\$0.07694	2.65	\$0.06789
2.70	\$0.09856	2.70	\$0.07698	2.70	\$0.06792
2.75	\$0.09861	2.75	\$0.07702	2.75	\$0.06796
2.80	\$0.09866	2.80	\$0.07706	2.80	\$0.06799
2.85	\$0.09871	2.85	\$0.07710	2.85	\$0.06803
2.90	\$0.09876	2.90	\$0.07714	2.90	\$0.06806
2.95	\$0.09882	2.95	\$0.07718	2.95	\$0.06810
3.00	\$0.09887	3.00	\$0.07722	3.00	\$0.06813
3.05	\$0.09892	3.05	\$0.07726	3.05	\$0.06817
3.10	\$0.09897	3.10	\$0.07730	3.10	\$0.06820
3.15	\$0.09902	3.15	\$0.07734	3.15	\$0.06824
3.20	\$0.09907	3.20	\$0.07738	3.20	\$0.06827
3.25	\$0.09912	3.25	\$0.07742	3.25	\$0.06831
3.30	\$0.09917	3.30	\$0.07746	3.30	\$0.06834
3.35	\$0.09922	3.35	\$0.07750	3.35	\$0.06838
3.40	\$0.09928	3.40	\$0.07754	3.40	\$0.06841
3.45	\$0.09933	3.45	\$0.07758	3.45	\$0.06845
3.50	\$0.09938	3.50	\$0.07762	3.50	\$0.06849
3.55	\$0.09943	3.55	\$0.07766	3.55	\$0.06852
3.60	\$0.09948	3.60	\$0.07770	3.60	\$0.06856
3.65	\$0.09953	3.65	\$0.07774	3.65	\$0.06859
3.70	\$0.09958	3.70	\$0.07778	3.70	\$0.06863
3.75	\$0.09964	3.75	\$0.07782	3.75	\$0.06866
3.80	\$0.09969	3.80	\$0.07786	3.80	\$0.06870
3.85	\$0.09974	3.85	\$0.07790	3.85	\$0.06873
3.90	\$0.09979	3.90	\$0.07794	3.90	\$0.06877
3.95	\$0.09984	3.95	\$0.07798	3.95	\$0.06881
4.00	\$0.09990	4.00	\$0.07802	4.00	\$0.06884
4.05	\$0.09995	4.05	\$0.07806	4.05	\$0.06888
4.10	\$0.10000	4.10	\$0.07810	4.10	\$0.06891
4.15	\$0.10005	4.15	\$0.07814	4.15	\$0.06895
4.20	\$0.10010	4.20	\$0.07818	4.20	\$0.06899
4.25	\$0.10016	4.25	\$0.07822	4.25	\$0.06902
4.30	\$0.10021	4.30	\$0.07827	4.30	\$0.06906
4.35	\$0.10026	4.35	\$0.07831	4.35	\$0.06909
4.40	\$0.10031	4.40	\$0.07835	4.40	\$0.06913
4.45	\$0.10037	4.45	\$0.07839	4.45	\$0.06917
4.50	\$0.10042	4.50	\$0.07843	4.50	\$0.06920

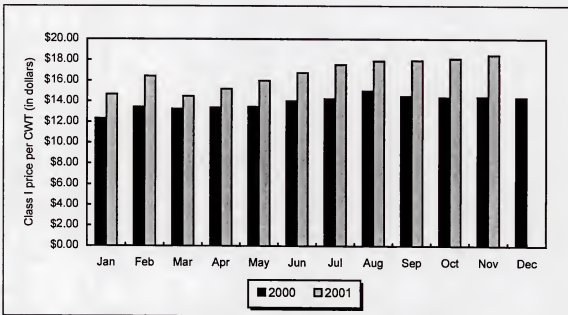
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2000 and 2001

Statistics from the Montana Milk Control Bureau

Month	2000	2001	Difference	% Change
January	\$12.34	\$14.68	\$2.34	18.96%
February	\$13.45	\$16.43	\$2.98	22.16%
March	\$13.26	\$14.49	\$1.23	9.28%
April	\$13.39	\$15.20	\$1.81	13.52%
May	\$13.48	\$15.99	\$2.51	18.62%
June	\$14.03	\$16.76	\$2.73	19.46%
July	\$14.25	\$17.54	\$3.29	23.09%
August	\$15.01	\$17.89	\$2.88	19.19%
September	\$14.50	\$17.95	\$3.45	23.79%
October	\$14.39	\$18.11	\$3.72	25.85%
November	\$14.44	\$18.48	\$4.04	27.98%
December	<u>\$14.37</u>			
Average	\$13.91	\$16.68	\$2.82	20.17%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

AUGUST 2001: class I = \$10.89; class II = \$2.40; Class III = \$3.11; total = \$16.41

(calculations based upon utilization percentages of butterfat & skim)